

National Housing Act

has in Ontario. Is it any wonder that 36 per cent of the cost of NHA homes applies to land?

• (1520)

Let me tell you, Mr. Speaker, who owns the property in Vancouver. It is owned by Western Realty and Marathon Realty Limited, a subsidiary of the CPR, Dawson Developments Limited, Imperial Construction Limited and Intercontinental Construction. All these land holding developments make full use of the deductions under the Income Tax Act: they apply all the interest charges, the municipal taxes and the capital cost depreciation. The result is that Cadillac Development had net earnings for the period 1966-1971 of approximately \$63 million. How much did they pay in taxes? They paid \$20,506. These are the boys the Tories want to protect.

Let me tell you about Marlborough Properties. They had net earnings for the period 1966-1970 of \$12.1 million and did not pay one cent in taxes. These are the boys who take advantage of the tax provisions of the Income Tax Act. These are the boys to whom the hon. member for Peel South referred who own all the raw land and want the government to provide the services. Does this not make one feel great with respect to the neighbourhood improvement program? Surely the neighbourhood improvement program is to be preferred over urban renewal, because at least the philosophy is to improve neighbourhoods rather than bulldoze them.

The Dennis report urges that a freeze be put on NHA funding of city centre redevelopment projects in excess of 50 units to at least discourage developers breaking up existing neighbourhoods. Mr. Speaker, if you have ever been in the city of Toronto you will know that the method used by the developers is to break up existing homes. It will be very interesting to see whether CMHC will implement that proposal of the Dennis report. The RRAP program, the non-profit program and the co-operative program have been dealt with and will be dealt with in more detail by my colleagues. So I now come to the last chapter of my speech.

I think we are deeply indebted to men such as Dennis and Charney who have brought forward reports telling us what the situation is in respect of housing in Canada. The minister spoke highly last night of the research program. I hope he retains men like Dennis and Charney, who have social vision and responsibility in respect of housing projects and needs in Canada and can tell him where terrible housing conditions prevail.

My colleague from Oshawa-Whitby (Mr. Broadbent) pointed out that there are 750,000 homes in desperate need of repair. This involves approximately three million people. You will recall, Mr. Speaker, the innovative program the government had which probably came about as a result of the work of the research department of CMHC. Under this program \$200 million of the taxpayers' money was allocated to the private builders so they could do something innovative in Canada. What did they do? First, they bought the land from private developers and paid the highest possible price. Much of it was land which the private developers had difficulty using or selling. Second, CMHC relaxed the building standards. Therefore, we had under that innovative program smaller homes and higher

[Mr. Gilbert.]

density. I hope the research department will do a little more work in respect of housing and look to countries such as England, Sweden and Germany. It should pick out some of their best ideas and apply them to the housing needs of Canada.

I have one final comment in respect of warranties. Last evening the minister spoke about how generous the government would be when a private developer fails to finish a house because of lack of funds or bankruptcy. He would go to the lending institution, draw the money and give it to the poor purchaser. Then he said another problem is that many people buy homes in which they find many defects in materials and workmanship. He said, however, that that matter will be left for a while and brought forward later.

One of the crucial problems that has arisen in respect of public and private housing in Canada is the poor workmanship by private enterprise. Many people have wrung their hands and screamed in their efforts to get the builder to return and complete the home in a proper and workmanlike manner. As the minister said last night, when one purchases a steam iron he has more protection than when he purchases a home. Yet the minister wants to put this program forward. The federal housing authority in the United States has had in its legislation for some time a protection warranty covering defective workmanship and materials. Surely it is high time this government acted quickly in this regard. After listening to my speech, Mr. Speaker, you may think I will not support this bill. However, after a great deal of soul-searching I am prepared to support it, but I give it the same type of support as I gave the increase of 42 cents for the old age pensioners at Christmas, 1970.

[Translation]

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I am happy to have the opportunity of taking part in the debate on Bill C-133 because these amendments to the National Housing Act will certainly encourage the construction of homes in my riding. In addition, the changes suggested in this bill will allow for the continued application of the program already in operation, thus giving new hope to low income families, older citizens and others who hope to get decent housing.

In co-operation with the municipalities of Vanier and Ottawa, and the government of Ontario, the federal government helped with the construction, in my riding, of six building for low-income families and senior citizens. These represent 608 units and the federal contribution amounted to \$7,410,000 over the last two years. Mr. Speaker, the electors of my riding of Ottawa East are extremely proud of the importance given by the federal government to the construction of such housing.

I represent a constituency divided in five clearly defined districts containing a municipality, Vanier, which is partly surrounded by the city of Ottawa. It also contains old historical neighbourhoods, judged by all to be worthy of being remembered. I will remind my colleagues that one of the greatest urban renewal projects in Canada was carried out in my constituency: the development of Lower Town in Ottawa which began seven or eight years ago and which will be completed I imagine in two or three years.